Defense Security Service
Navigating Security Clearances in the DoD Marketplace

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The Current Cleared Marketplace

- The Nation is facing a foreign intelligence threat that is unprecedented in our history. The increased threat is a result of advances in technology (primarily cyber), science, and the globalization of business and the American workforce.

- The role of non-traditional collectors has increased significantly, and these factors have combined to cause the Nation to lose significant amounts of technology and information, most of which is unclassified.

- To address this evolving threat, DSS is changing its approach to security oversight, moving from a focus on schedule-driven compliance to intelligence-led, asset-focused, and threat-driven security oversight.

- Getting a facility clearance is not just a check in the box!
    - Ensuring strong security program is important to be sure you are prepared in the security arena as you grow
    - Requirements and expectations of company's focus on security is rising as deliver uncompromised is working to add security as 4th pillar of Acquisition

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National Industrial Security Program (NISP) Basics

- Administered by Defense Security Service (DSS) http://www.dss.mil/isp/

- Authorities

  - DoDD 5220.2-R, Industrial Security Regulation, December 4, 1985

  - DOD 5220.22-M, National Industrial Security Program Operating Manual (NISPOM), February 2006

- Security guidance for acquisitions also found in FAR and DFARS

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National Industrial Security Program (NISP) Key Definitions

- Classified contract: Any contract requiring access to classified information in the performance of the contract

- Personnel Security Clearance (PCL): Administrative determination that an individual is eligible for access to classified information

- Facility Security Clearance (FCL): An administrative determination that a company is eligible for access to classified information

- Need to Know: Determination that the proposed recipient has a requirement for access to classified information to fulfill a contract

- Access: The ability and opportunity to gain knowledge of classified information

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Facility Clearance: The Basics

What is a Facility Clearance?

- Facility Security Clearance (FCL) is an administrative determination that a company is eligible for access to classified information
- Think of this as a company clearance
- The FCL Process requires Key Management Personnel (KMP) to get Personnel Clearances (PCL)

How can you get a FCL?

- A contractor or prospective contractor cannot apply for its own FCL
- Contractors must be sponsored by Government Contracting Agency (GCA) or cleared contractor AND have legitimate need to have access to classified materials.
  - Sponsorship can begin as soon as you have determined the awardee(s).

What are company requirements?

- Must need access in connection with a legitimate requirement **(prime or subcontract)**
- Must be organized in the US
- Must have a reputation for integrity and lawful business dealings
- Must not be under Foreign Ownership or Controlling Interest (FOCI)

How much does an FCL cost?

- The government funds the processing of PCLs and FCLs for access to classified information. The only cost to you to go through the process is to ensure the business is in compliance with the National Industrial Security Program Operating Manual (NISPOM).
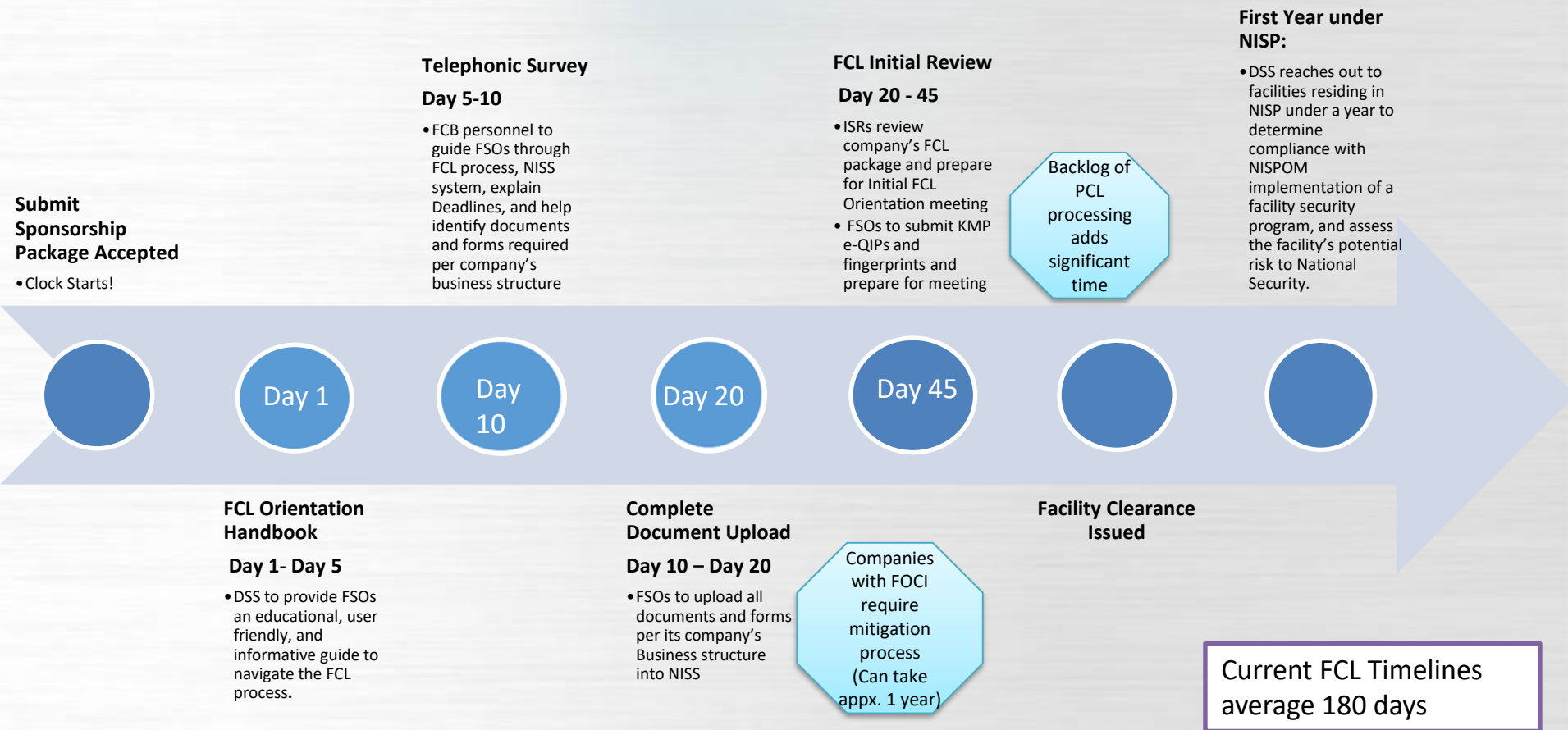
Does a FCL expire?

- A FCL remains active until the company no longer has a need to access classified information
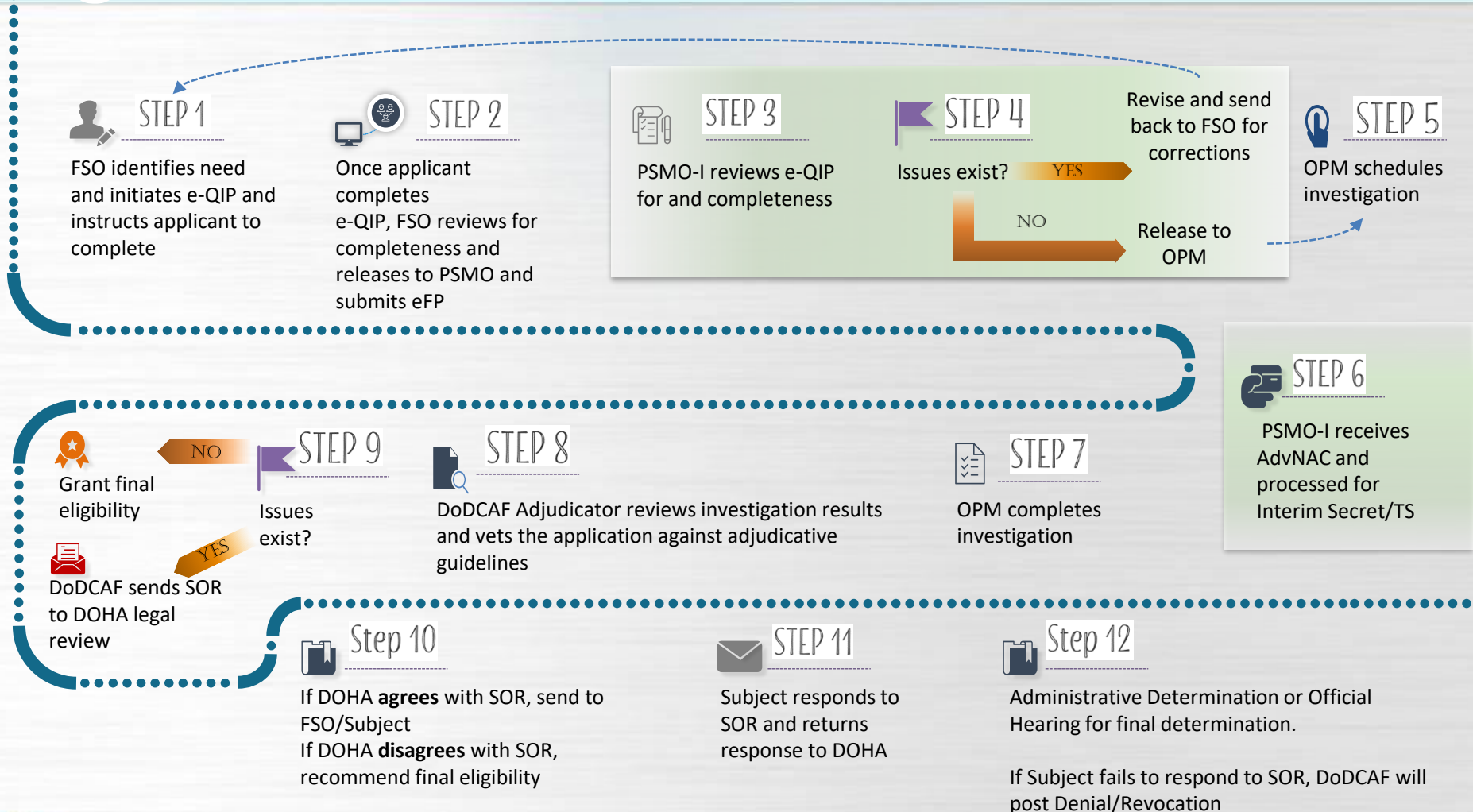
FCL Process

Submit Sponsorship Package Accepted
- Clock Starts!

FCL Orientation Handbook

Day 1- Day 5
- DSS to provide FSOs an educational, user friendly, and informative guide to navigate the FCL process.

Telephonic Survey

Day 5-10
- FCB personnel to guide FSOs through FCL process, NISS system, explain Deadlines, and help identify documents and forms required per company's business structure

Complete Document Upload

Day 10 – Day 20
- FSOs to upload all documents and forms per its company's Business structure into NISS

Companies with FOCI require mitigation process (Can take appx. 1 year)

FCL Initial Review

Day 20 - 45
- ISRs review company's FCL package and prepare for Initial FCL Orientation meeting
- FSOs to submit KMP e-QIPs and fingerprints and prepare for meeting

Backlog of PCL processing adds significant time

Facility Clearance Issued

First Year under NISP:
- DSS reaches out to facilities residing in NISP under a year to determine compliance with NISPOM implementation of a facility security program, and assess the facility's potential risk to National Security.

Day 1 · Day 10 · Day 20 · Day 45

Current FCL Timelines average 180 days

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High Level PCL Process Overview

STEP 1

FSO identifies need and initiates e-QIP and instructs applicant to complete

STEP 2

Once applicant completes e-QIP, FSO reviews for completeness and releases to PSMO and submits eFP

STEP 3

PSMO-I reviews e-QIP for and completeness

STEP 4

Issues exist?

YES → Revise and send back to FSO for corrections

NO → Release to OPM

STEP 5

OPM schedules investigation

STEP 6

PSMO-I receives AdvNAC and processed for Interim Secret/TS

STEP 7

OPM completes investigation

STEP 8

DoDCAF Adjudicator reviews investigation results and vets the application against adjudicative guidelines

STEP 9

Issues exist?

NO → Grant final eligibility

YES → DoDCAF sends SOR to DOHA legal review

Step 10

If DOHA **agrees** with SOR, send to FSO/Subject
If DOHA **disagrees** with SOR, recommend final eligibility

STEP 11

Subject responds to SOR and returns response to DOHA

Step 12

Administrative Determination or Official Hearing for final determination.

If Subject fails to respond to SOR, DoDCAF will post Denial/Revocation

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Business Structure and Required Documents

Corporation	Limited Liability Company	Partnerships
Required Documents	**Required Documents**	**Required Documents**
Certificate/Articles of Incorporation	Certificate/Articles of Organization	Certificate of Limited Partnership (if applicable)
Corporate Bylaws	Operating Agreement	Fictitious/Trade Name Certificate and/or Business License (if applicable)
Meeting Minutes	Meeting Minutes	Partnership Agreement
Stock ledger/SEC filings	Membership Ledge	Meeting Minutes
Legal Organization Chart	Legal Organization Chart	Legal Organization Chart

Business Structure and Required Documents

University/College	Sole Proprietorship	Joint Ventures
Required Documents	**Required Documents**	**Required Documents**
Charter/Bylaws	Business License	Business Type is required
Board/ University Meeting Minutes	Fictitious Name Certificate	JV Agreement
Legal Organization Chart	Certificate of Sole Proprietorship	Meeting Minutes specific to JV
	Note: An FCL is not required when the sole owner requires access to classified.	

What are the KMP Requirements?

Key Management Personnel General Information

Senior Management Official (SMO) is required to be cleared in connection with the Facility Clearance in accordance with NISPOM 2-104. The SMO is the person who is the senior management authority of the organization per the organization's business documents.

Insider Threat Program Senior Official (ITPSO) is the senior official responsible for establishing and executing the organization's insider threat program.

Facility Security Officer (FSO) designated by the organization and responsible for supervising and directing security measures necessary for implementing requirements of the National Industrial Security Operating Manual (NISPOM).

What can you do to move the request forward?

What Facilities Can Do to Help Move the Process Forward Once Sponsorship is Accepted

Meet all timelines and deadlines for FCL and Key Management Personnel (KMP) processes

Review the FCL Process Orientation Handbook and Transcript at www.dss.mil

Submit eQIPs and Fingerprints for Key Management Personnel on time

Gather and upload all required business documents and forms from the FCL Handbook

Sponsorship Timing

Pre-Award Sponsorship

Must have need to access classified during the bid process.

Must include:

- Solicitation number
- Solicitation release date
- Solicitation close date
- Level of classification
- Copy of pre-award DD254

Post-Award Sponsorship

Must have need to access classified during performance of the contract.
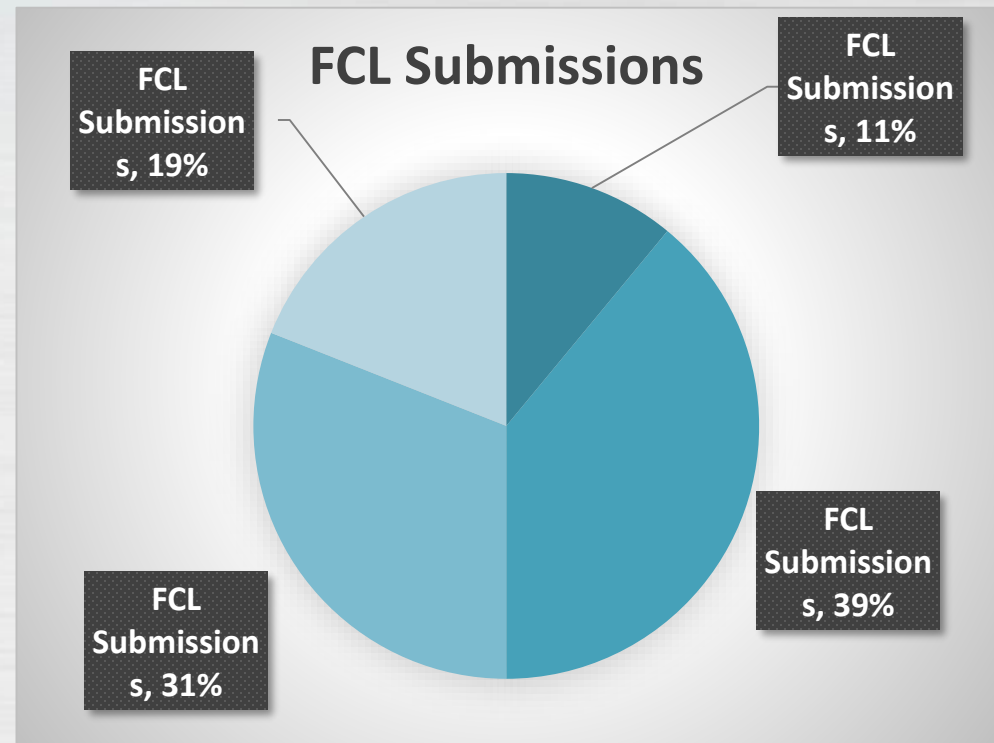
Must include:

- DD254
- SOW/PWS
- Written GCA Authorization

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Joint Ventures

- Populated vs. Unpopulated
  - SBA requires JV to be unpopulated except for administrative personnel
  - DSS requires JV to be populated
- FY19 Average JV FCL Timeline is 70 Days (26 days-97 Days)

FCL Submissions

FCL Submissions, 19%

FCL Submissions, 11%

FCL Submissions, 39%

FCL Submissions, 31%

Top 5 reasons for rejection

- Missing Government Contracting Activity Authorization

- Incorrect or incomplete information on DD254

- Lack of Justification/ No access to classified required

- Solicitation with no access to classified information

- Incorrect sponsorship request/ conflicting information on sponsorship and DD254

What questions should you be asking?

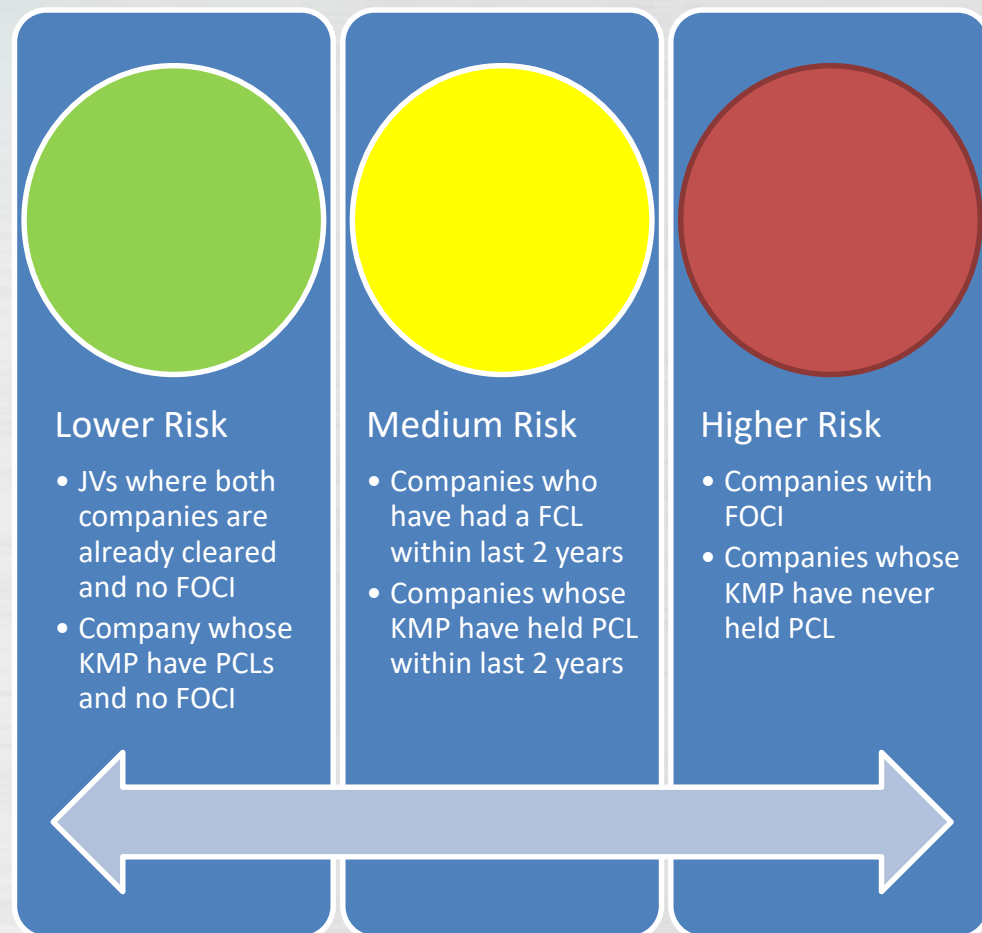|	
When is access to classified information needed?	• This will determine pre-award or post award sponsorship and can reveal if GCA can include time to sponsor awardee.
Is there a transition period and if so, how long?	• There may be time for the GCA to sponsor a company depending on the transition period.
Does the work require immediate access to classified information?	• If the contractor can start portions of the work while they go through the process, this can impact solicitation restrictions.
Can the contractor start with a secret clearance and upgrade to a Top Secret?	• The process of an upgrade is quicker.
Is this a competitive or non-competitive award?	• If you are contemplating a non-competitive award, there can be more flexibility on when in the acquisition process you sponsor a facility. • i.e. 8(a) Company whose KMP have PCL but no FCL. The process will go much faster and you could sponsor while you are negotiating the contract.

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Risk Continuum

- Risk levels impact timelines to get an FCL and therefore impact solicitation language

Lower Risk
- JVs where both companies are already cleared and no FOCI
- Company whose KMP have PCLs and no FOCI

Medium Risk
- Companies who have had a FCL within last 2 years
- Companies whose KMP have held PCL within last 2 years

Higher Risk
- Companies with FOCI
- Companies whose KMP have never held PCL

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Success Roadmap

- ✓ Include "security" in your Market Research

- ✓ Increase your presence

- ✓ Find a Mentor

- ✓ Subcontract

- ✓ Leverage your small business status

- ✓ Be prepared for the security process

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Available Resources

- ✓ Visit www.dss.mil
  - ✓ FCL Process Orientation Video
  - ✓ Facility Clearance Checklist
  - ✓ Facility Clearance Process FAQs
  - ✓ FCL Orientation Handbook
  - ✓ NISPOM

- ✓ Contact the DSS Knowledge Center 888-282-7682 (option 3) with any FCL related questions

- ✓ Visit DSS Center for Development of Security Excellence (CDSE) at www.CDSE.edu for FREE training and resources
  - ✓ Facility Security Officer toolkit
  - ✓ Training videos

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Questions

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